

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September 2003

1. Basis of Preparation

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with SSAP 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants.

2. Principal Accounting Policies

The condensed financial statements have been prepared under the historical cost convention as modified for the revaluation of certain properties and investments in securities.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March 2003 except as explained below.

Income taxes

In the current interim period, the Group has adopted SSAP 12 (Revised) "Income Taxes". The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, with limited exceptions.

簡明財務報表附註

截至二零零三年九月三十日止六個月

1. 編製基準

簡明財務報表乃根據香港聯合交易所有限公司證券上市規則附錄16之有關披露規定及香港會計師公會頒佈之會計實務準則第25號「中期財務報告」而編製。

2. 主要會計政策

簡明財務報表乃依據歷史成本法編製，並就若干物業和證券投資作出重估。

除下列所述以外，所採用之會計政策乃與本集團截至二零零三年三月三十一日止年度之年度財務報表所採用之會計政策相符一致。

入息稅

本期內，本集團首次採納經修訂之會計實務準則第12號「入息稅」。採用經修訂之會計實務準則第12號之主要影響與遞延稅項有關。經修訂之會計實務準則第12號規定計算遞延稅項須採納資產負債表負債法。遞延稅項須按財務報表中資產及負債之賬面值與用以計算應課稅盈利之相關稅項基數之所有臨時差額予以確認。

In the absence of any specific transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively. Comparative amounts have been restated accordingly. As a result of this change in policy, the balance on the Group's property revaluation reserve at 1st April 2002 has been decreased by HK\$3,402,000 and the Group's deferred taxation liability at 1st April 2002 has been increased by HK\$3,402,000, which is the cumulative effect to the change in financial position for the periods prior to 1st April 2002.

3. Segment Information

Business segments

The Group is mainly engaged in electroplating equipment business, wet processing equipment business, satellite communication business, entertainment production business and timber trading business. These businesses are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Electroplating equipment	– design, manufacture and sale of custom-built electroplating equipment
Wet processing equipment	– design, manufacture and sale of custom-built horizontal wet processing and automation machinery
Satellite communication	– provision of satellite communication services
Entertainment production	– provision of concert production
Timber trading	– trading of logged timber

在經修訂之會計實務準則第 12 號並無規定任何特定過渡安排下，新會計政策已經追溯應用於以往期間，而比較金額亦相應重新呈列。由於上述之政策變動，本集團於二零零二年四月一日之物業重估儲備減少 3,402,000 港元，而本集團於二零零二年四月一日之遞延稅項負債增加 3,402,000 港元，此乃對截至二零零二年四月一日止過往期間財務狀況所作變動之累積影響。

3. 分類資料

業務分類

本集團主要從事電鍍設備業務、濕式處理設備業務、衛星通訊業務、娛樂製作業務及木材業務。此等業務乃本集團呈報其主要分類資料所按之基準。

主要業務概述如下：

電鍍設備	– 按客戶需求而設計、生產及銷售之電鍍設備
濕式處理設備	– 按客戶需求而設計、生產及銷售之水平式濕式處理及自動化機械
衛星通訊	– 提供衛星通訊服務
娛樂製作	– 提供演唱會製作
木材業務	– 木材貿易

Segment information about these businesses is presented below.

該等業務之分類資料呈列如下。

For the six months ended 30th September 2003

截至二零零三年九月三十日止六個月

		Wet						Elimination	Consolidated	
		Electroplating equipment	processing equipment	Satellite communication	Entertainment production	Timber trading	Other operations	對沖	綜合	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
		(Note)								
		(附註)								
TURNOVER	營業額									
External sales	對外銷售	109,220	63,196	-	19,844	18,195	74	-	210,529	
Inter-segment sales	分部之間銷售	-	704	-	-	-	-	(704)	-	
		109,220	63,900	-	19,844	18,195	74	(704)	210,529	

Inter-segment sales are charged at prevailing market rates
分部之間銷售乃按當時之市場價格計算

RESULTS	業績								
Segment results	分類業績	2,245	(3,881)	(220)	(1,832)	(1,210)	(8,647)	3,553	(9,992)
Unallocated corporate income	未分配企業收入								576
Unallocated corporate expenses	未分配企業開支								(8,253)
Impairment loss recognised on investments in securities	證券投資之已確 認減值虧損								(2,390)
Net unrealised gain on other investments	其他投資未變 現淨收益								2,330
Net realised loss on other investments	其他投資已變現 淨虧損								(18,049)
Loss from operations	經營虧損								(35,778)

For the six months ended 30th September 2002

截至二零零二年九月三十日止六個月

		Wet						Elimination	Consolidated
		Electroplating equipment	processing equipment	Satellite communication	Entertainment production	Timber trading	Other operations		
		電鍍設備	濕式處理設備	衛星通訊	娛樂製作	木材業務	其他業務	對沖	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note)					
				(附註)					
TURNOVER	營業額								
External sales	對外銷售	86,773	48,076	1,347	21,503	23,063	790	-	181,552
Inter-segment sales	分部之間銷售	-	934	-	-	-	-	(934)	-
Total	總計	86,773	49,010	1,347	21,503	23,063	790	(934)	181,552

Inter-segment sales are charged at prevailing market rates

分部之間銷售乃按當時之市場價格計算

RESULTS	業績								
Segment results	分類業績	264	(9,441)	(35,429)	(3,963)	(5,542)	(4,710)	3,038	(55,783)
Unallocated corporate income	未分配企業收入								101
Unallocated corporate expenses	未分配企業開支								(10,321)
Net unrealised loss on other investments	其他投資未變現淨虧損								(23,366)
Net realised loss on other investments	其他投資已變現淨虧損								(1,070)
Loss from operations	經營虧損								(90,439)

Note: In March 2003, the directors determined to abandon the Group's satellite communication. The satellite communication ceased operations in July 2003.

附註：於二零零三年三月，董事決定放棄本集團之衛星通訊業務。衛星通訊業務於二零零三年七月終止。

4. Loss from Operations
4. 經營虧損

		Six months ended 截至九月三十日止六個月	
		30.9.2003 二零零三年 HK\$'000 千港元	30.9.2002 二零零二年 HK\$'000 千港元
Loss from operations has been arrived at after charging (crediting):	經營虧損已扣除 (計入) 下列各項：		
Depreciation of property, plant and equipment	物業、廠房及設備 之折舊	6,140	8,114
Amortisation of goodwill (included in administrative expenses)	商譽之攤銷 (計入行政費用)	194	1,360
Amortisation of intangible assets (included in administrative expenses)	無形資產之攤銷 (計入行政費用)	6	13
Total depreciation and amortisation	折舊及攤銷總額	6,340	9,487
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備之 (收益) 虧損	(2,277)	250

5. Taxation Charge
5. 稅項支出

		Six months ended 截至九月三十日止六個月	
		30.9.2003 二零零三年 HK\$'000 千港元	30.9.2002 二零零二年 HK\$'000 千港元
The taxation charge comprises:	該稅項支出包括：		
Hong Kong Profits Tax Underprovision in prior years	香港利得稅 以往年度不足額撥備	518	-
Overseas taxation Charge for the period Underprovision in prior years	海外稅項 期內支出 以往年度不足額撥備	354 -	385 1,514
		354	1,899
		872	1,899

No provision for Hong Kong Profits Tax has been made as the Group incurred tax losses for the period. Overseas taxation is calculated at the rates prevailing in the relevant jurisdictions.

6. Dividend

No dividends were paid during either period. The directors do not recommend the payment of any interim dividend.

7. Loss Per Share

The calculation of the basic loss per share is based on the net loss for the six months ended 30th September 2003 of HK\$37,988,000 (six months ended 30.9.2002: HK\$94,029,000) and the weighted average number of 5,529,268,000 (six months ended 30.9.2002: 5,529,268,000) shares in issue during the period.

No diluted loss per share has been presented because the exercise price of the Company's share options was higher than the average market price of shares for both periods.

8. Property, Plant and Equipment

During the six months ended 30th September 2003, the Group spent HK\$1,047,000 (six months ended 30.9.2002: HK\$912,000) on acquisition of property, plant and equipment.

Due to the stagnant development of the entertainment production business, the directors reassessed the recoverable amount of the major assets of its entertainment production business with reference to the net recoverable amount at the balance sheet date. Based on this reassessment, the directors consider an impairment of approximately HK\$1.8 million is required to be recognised for the current period.

由於本集團於期內出現稅務虧損，故並無就香港利得稅作出撥備。海外稅項則按有關司法權區各自通行之稅率計算。

6. 股息

於兩個期內均未有派付任何股息。董事不建議派付任何中期股息。

7. 每股虧損

每股基本虧損乃根據截至二零零三年九月三十日止六個月之淨虧損約 37,988,000 港元（截至二零零二年九月三十日止六個月：94,029,000 港元）及期內已發行股份之加權平均數 5,529,268,000 股（截至二零零二年九月三十日止六個月：5,529,268,000 股）計算。

由於本公司購股權之行使價高於兩個期間之股份平均市價，故毋須呈列每股攤薄虧損。

8. 物業、廠房及設備

於截至二零零三年九月三十日止六個月，本集團動用約 1,047,000 港元（截至二零零二年九月三十日止六個月：912,000 港元）增購物業、廠房及設備。

基於娛樂製作業務發展停滯不前，董事經參考結算日之可收回淨額，重估其娛樂製作業務之主要資產之可收回款額。根據此項重估，董事認為本期間須確認減值約 1,800,000 港元。

9. Properties Held for Development

During the period, the Group reassessed the recoverable amount of its properties held for development by reference to the estimated market value of the land. The directors consider there was an impairment of HK\$9,776,000 and accordingly the amount has been charged to the income statement during the six months ended 30th September 2003.

10. Goodwill

As a consequence of a change to the original business plan, the Group reassessed the recoverable amount of its investment in the timber trading business based on the present value of the expected future cash flows arising from trading of timber, which was derived from discounting the projected cash flows by an implicit rate of return of 4.3%. Based on this reassessment, the directors consider a further impairment of approximately HK\$1.2 million (six months ended 30.9.2002: HK\$5.5 million) is required to be recognised for the goodwill arising from the acquisition of the subsidiary engaged in the timber trading business.

11. LOANS RECEIVABLE

The following is the maturity profile of loans receivable at the reporting date:

		30.9.2003 二零零三年 九月三十日 HK\$'000 千港元	31.3.2003 二零零三年 三月三十一日 HK\$'000 千港元
Repayable within 3 months	於三個月內償還	9,265	9,141
Repayable after 3 months but within 6 months	於三個月後但於六個月內償還	57	71
Repayable after 6 months but within 1 year	於六個月後但於一年內償還	115	122
		9,437	9,334
Repayable after 1 year	於一年後償還	1,817	1,927
Total	總計	11,254	11,261

9. 持作發展物業

期內，本集團參考土地之估計市價而重估其持作發展物業之可收回金額。董事認為減值虧損為9,776,000港元，因而將金額計入截至二零零三年九月三十日止六個月之收益賬中。

10. 商譽

由於原訂之業務計劃有所變動，本集團以木材貿易業務產生之預期未來現金流量之現值（以內含回報率為4.3%自預計現金流量貼現）為基準，重估其投資木材貿易業務之可收回款額。基於以上重估，董事認為，須就因收購從事木材貿易業務附屬公司所得之商譽確認作進一步減值約1,200,000港元（截至二零零二年九月三十日止六個月：5,500,000港元）。

11. 應收貸款

以下為於報告日期應收貸款到期概況：

12. DEBTORS, DEPOSITS AND PREPAYMENTS

12. 應收賬款、訂金及預付款項

		30.9.2003 二零零三年 九月三十日 HK\$'000 千港元	31.3.2003 二零零三年 三月三十一日 HK\$'000 千港元
Trade debtors	貿易應收賬款	109,924	119,246
Bills receivable	應收票據	12,080	13,343
Other debtors and prepayments	其他賬款及預付款項	14,076	11,330
		136,080	143,919
Less: Trade debtors, non-current portion	減：貿易應收賬款 (非流動部份)	(1,120)	(3,675)
		134,960	140,244

The Group allows a general credit period of one month to its trade customers except construction contracts where the Group allows staged payments. In general, credit will only be offered to customers in accordance with their financial creditabilities and an established payment records.

本集團給予貿易客戶之一般信貸限期為交易後一個月，而建造合約之客戶則可根據合約之完成進度付款。一般情況下，客戶所獲信貸僅會根據彼等之信譽及以往還款紀錄而給予。

The following is an aged analysis of trade debtors as at the reporting date:

以下為於報告日期貿易應收賬款之到期分析表：

		30.9.2003 二零零三年 九月三十日 HK\$'000 千港元	31.3.2003 二零零三年 三月三十一日 HK\$'000 千港元
Current	未到期	32,118	49,628
Overdue by:	過期		
0 – 60 days	0 – 60 日	42,530	44,036
61 – 120 days	61 – 120 日	7,225	3,626
121 – 180 days	121 – 180 日	12,509	14,026
Over 180 days	超過 180 日	15,542	7,930
		109,924	119,246

13. CREDITORS, BILLS PAYABLE AND ACCRUED CHARGES **13. 應付賬款，應付票據及預提費用**

		30.9.2003 二零零三年 九月三十日 <i>HK\$'000</i> 千港元	31.3.2003 二零零三年 三月三十一日 <i>HK\$'000</i> 千港元
Trade creditors	貿易應付賬款	70,620	82,697
Bills payable	應付票據	6,513	13,932
Other creditors and accrued charges	其他應付賬款及預提費用	81,800	81,662
		158,933	178,291

The following is an aged analysis of trade creditors as at the reporting date:

以下為於報告日期貿易應付賬款之到期分析表：

		30.9.2003 二零零三年 九月三十日 <i>HK\$'000</i> 千港元	31.3.2003 二零零三年 三月三十一日 <i>HK\$'000</i> 千港元
0 – 60 days	0 – 60 日	35,625	33,935
61 – 120 days	61 – 120 日	15,154	17,244
121 – 180 days	121 – 180 日	13,479	23,539
Over 180 days	超過 180 日	6,362	7,979
		70,620	82,697

14. SHARE CAPITAL
14. 股本

		Number of shares 股份數目 '000 千股	Amount 總額 <i>HK\$'000</i> 千港元
Shares of HK\$0.01 each	每股面值 0.01 港元之股份		
Authorised	法定	20,000,000	200,000
Issued and fully paid:	已發行及繳足：		
At 1st April 2003 and	於二零零三年四月一日及		
30th September 2003	二零零三年九月三十日	5,529,268	55,293

15. RESERVES

15. 儲備

		Share premium	Property revaluation reserve	Legal reserves	Currency translation reserve	Deficit	Total
		股份溢價	物業重估儲備	法定儲備	貨幣折算儲備	虧絀	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1st April 2002	於二零零二年四月一日						
- as originally stated	- 原本列出	353,062	39,145	16,195	(7,845)	(126,811)	273,746
- adjustment on adoption of SSAP 12 (Revised) (Note 2)	- 採納經修訂之會計實務準則第12號後之調整 (附註2)	-	(3,402)	-	-	-	(3,402)
- as restated	- 重列	353,062	35,743	16,195	(7,845)	(126,811)	270,344
Exchange difference arising on translation of operations of overseas subsidiaries	折算海外附屬公司業務所產生之匯兌差額	-	-	-	170	-	170
Net loss for the period	期內淨虧損	-	-	-	-	(94,029)	(94,029)
At 30th September 2002	於二零零二年九月三十日	353,062	35,743	16,195	(7,675)	(220,840)	176,485
Exchange difference arising on translation of operations of overseas subsidiaries	折算海外附屬公司業務所產生之匯兌差額	-	-	-	(3,751)	-	(3,751)
Net loss for the period	期內淨虧損	-	-	-	-	(63,767)	(63,767)
At 31st March 2003	於二零零三年三月三十一日	353,062	35,743	16,195	(11,426)	(284,607)	108,967
Exchange difference arising on translation of operations of overseas subsidiaries	折算海外附屬公司業務所產生之匯兌差額	-	-	-	568	-	568
Effect of change in tax rate on deferred tax debited to revaluation reserve	借記入重估儲備稅率變動對遞延稅項之影響	-	(319)	-	-	-	(319)
Net loss for the period	期內淨虧損	-	-	-	-	(37,988)	(37,988)
At 30th September 2003	於二零零三年九月三十日	353,062	35,424	16,195	(10,858)	(322,595)	71,228

16. POST BALANCE SHEET EVENTS

- (a) On 8th October 2003, the Group entered into an agreement with the minority shareholder of SCL Citi-Link ATNT (Holdings) Limited ("SCL"), a 82% owned subsidiary of the Company, to acquire 20 ordinary shares of SCL, representing approximately 18% of the issued share capital of SCL, and the shareholder's loan of SCL of approximately HK\$14,926,000, for an aggregate cash consideration of HK\$100,001.
- (b) On 17th November 2003, the Group entered into an agreement with a third party, to dispose of its 50% owned associate, Beijing Wan Dian Company Limited, of which the investment cost had been fully written off in prior years, at a consideration of approximately HK\$2,783,000.
- (c) Pursuant to a directors' meeting held on 23rd December 2003, the Company changed its financial year end date from 31st March to 31st December, accordingly, the next financial year end date will be for the nine months period ended 31st December 2003.

16. 結算日後事項

- (a) 於二零零三年十月八日，本集團與其擁有 82% 股權的附屬公司 SCL Citi-Link ATNT (Holdings) Limited (「SCL」) 的少數股東簽訂協議，以現金 100,001 港元總代價收購 SCL 的 20 股普通股（約佔 SCL 已發行股本的 18%）及 SCL 的股東貸款約 14,926,000 港元。
- (b) 於二零零三年十一月十七日，本集團與第三者簽訂協議以約 2,783,000 港元作價出售其擁有 50% 股權的聯營公司北京萬電有限責任公司，而當中的投資成本已於以往年度已撥備。
- (c) 根據二零零三年十二月二十三日的董事會決議，本公司將財務年度截止日期由三月三十一日改為十二月三十一日。因此，下次財務年度將是截至二零零三年十二月三十一日止九個月期間。